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## **SENATOR BIRKHOLZ ANNOUNCES LAND USE PACKAGE**

*Legislation includes tax incentives for land donations and  
protecting farmland from development.*

**Tuesday, March 18, 2003** – Senator Patricia Birkholz, R- Saugatuck Township, today was joined by fellow caucus members to announce a Senate sponsored land use package that helps protect farmland from development, offers property and income tax incentives for donations of land and calls on Congress to pass legislation to protect open land and wildlife habitat.

Birkholz said, “I’m proud to spear head this effort in protecting Michigan’s land while helping farmers and small businesses. My colleagues and I are anxious to make a positive difference in the future of land use issues.”

The land use package includes:

- Senate Bill 301, sponsored by Senator Gerry VanWoerkom, R- Norton Shores, will provide direction to the assessor that farm land shall not be valued at its highest or best use, but at its current use, as agricultural property. This will allow property tax rates to be set at a level to ensure farmers are able to continue their trade without additional financial burdens.
- Senate Bill 302, sponsored by Senator Birkholz, will sunset the Land Division Act which will remove the statewide oversight of the land division process. This bill will encourage interest groups affected by land development to return to the table and negotiate a more effective land division process.
- Senate Bill 303, sponsored by Senator Birkholz, will clarify to local property tax assessors that they are to consider donated rights in land whenever land is being assessed for its true cash value. This will provide additional incentives for individuals who donate their land or rights in land to a qualifying land conservancy.

- Senate Bill 304, sponsored by Senator Tony Stamas, R- Midland, will amend the Income Tax Act to allow a taxpayer to claim as a credit against the state income tax, up to 50 percent of the taxable value of a qualified donation of real property. This bill will provide added financial incentives for individuals to make such donations to land conservancies. Restricting development through the encouragement of such donations of these parcels will help to reinforce the state's commitment to preserving its unique lands.
- Senate Bill 305, sponsored by Senator Jud Gilbert, R- Algonac, will amend the Single Business Tax Act to provide incentives to companies doing business in Michigan to make valuable donations of land or interest in lands to a land conservancy. The bill will reaffirm the business community's commitment to conserving our lands by providing for a tax credit of up to 50 percent of the taxable value of a qualified donation of real property, with a limitation of \$100,000 per year in any one year.
- Senate Bill 306, sponsored by Senator Birkholz, will provide for local communities to voluntarily establish a development rights market program whereby development rights may be voluntarily bought and sold based on a free-market negotiated price between landowners. This will encourage both development and preservation of green space in appropriate areas.
- SCR 12, sponsored by Senator Tom George, R – Kalamazoo and SR 39, sponsored by Senator VanWoerkom, will urge passage of federal legislation (modeled after HR 2290 from the 107<sup>th</sup> Congress) which will cut by 50 percent the federal tax on land or easements sold to public or private conservation entities for conservation purposes. The Nature Conservancy and other groups such as the American Farm Bureau and Ducks Unlimited support this proposal. There are other conservation tax proposals that the Conservancy supports, but this incentive is the top priority.

Senator Birkholz also mentioned that other pieces of legislation have been and will be introduced to complement the package, including Senator Jud Gilbert's Senate Bill 2, which will allow local units of governments to create "agricultural production districts," where farmland could be assessed an agricultural production tax in place of the general property tax.

The bills will now be sent to Senate committee for review.